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CALIFORNIA LEGISLATURE—2003–04 REGULAR SESSION

ASSEMBLY BILL

No. 711

Introduced by Assembly Member Correa
(Principal coauthor: Senator Burton)

February 19, 2003

An act to amend Sections 94802 *and* 94905 of, and to add Sections 94735.7 and 94740.1 to, the Education Code, relating to private postsecondary education.

LEGISLATIVE COUNSEL'S DIGEST

AB 711, as amended, Correa. Private postsecondary education: Private Postsecondary and Vocational Education Reform Act of 1989.

Existing law, known as the Private Postsecondary and Vocational Education Reform Act of 1989, generally sets minimum standards of instructional quality, ethical and business practices, health and safety, and fiscal responsibility for private postsecondary and vocational educational institutions, as defined. The act establishes the Bureau for Private Postsecondary and Vocational Education, which, among other things, is required to review and investigate all institutions, programs, and courses of instruction approved under the act. Numerous terms are defined for the purposes of the act, including “non-WASC regionally

accredited institution,” which is a degree-granting institution that is accredited by one of 4 designated regional accrediting agencies.

This bill would define “nationally accredited institution” to mean an institution that provides a degree, diploma, or certificate, and that is accredited by a recognized national institutional accrediting body. The bill would recast and revise the standards for approval of a non-WASC regionally accredited institution to issue degrees, diplomas, or certificates, and would subject the approval of a nationally accredited institution to issue degrees, diplomas, or certificates to the same standards that govern the approval of a non-WASC regionally accredited institution in that context. *The bill would revise the exemption from financial responsibility requirements under these standards.*

The bill would define “recognized national institutional accrediting body” to mean an institutional accrediting agency that is recognized by the United States Department of Education pursuant to a specified provision of federal law as a reliable authority as to the quality of education and training offered by postsecondary educational institutions, and the scope of the recognition of which is not limited to a specific region of the United States. The bill would specify 4 5 bodies to which this definition would be limited.

The bill would authorize a nationally accredited institution or a non-WASC regionally accredited institution previously approved by the bureau to operate in this state to notify the bureau of the addition of a branch or satellite that is not included in the institution’s initial or renewal application within 90 days of adding this branch or satellite, in lieu of filing an application with the bureau for approval to operate that branch or satellite.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 94735.7 is added to the Education Code,
- 2 to read:
- 3 94735.7. “Nationally accredited institution” means an
- 4 institution that provides a degree, diploma, or certificate, and that
- 5 is accredited by a recognized national institutional accrediting
- 6 body.



SEC. 2. Section 94740.1 is added to the Education Code, to read:

94740.1. (a) “Recognized national institutional accrediting body” means an institutional accrediting agency that is recognized by the United States Department of Education pursuant to Section 496 of the federal Higher Education Act of 1965, as it is amended from time to time, as a reliable authority as to the quality of education and training offered by postsecondary educational institutions, and the scope of the recognition of which is not limited to a specific region of the United States.

(b) Recognized national institutional accrediting bodies, within the meaning of this section, are limited to the following bodies:

(1) The Accrediting Council for Independent Colleges and Schools (ACICS).

(2) The Accrediting Commission of Career Schools of Technology (ACCSCT).

(3) The Accrediting Council for Continuing Education (ACCE).

(4) The Distance Education and Training Council (DETC).

(5) *Accrediting Bureau of Health Education Schools (ABHES)*.

SEC. 3. *Section 94802 of the Education Code is amended to read:*

94802. (a) Each institution desiring to operate in this state shall make application to the bureau, upon forms to be provided by the bureau. The application shall include, as a minimum, at least all of the following:

(1) A catalog published, or proposed to be published, by the institution containing the information specified in the criteria adopted by the bureau. The catalog shall include specific dates as to when the catalog applies.

(2) A description of the institution’s placement assistance, if any.

(3) Copies of media advertising and promotional literature.

(4) Copies of all student enrollment agreement or contract forms and instruments evidencing indebtedness.

(5) The name and California address of a designated agent upon whom any process, notice, or demand may be served.

(6) The information specified in Section 94808.

1 (7) The institution's most current financial report as described
2 in Section 94806.

3 (8) An application submitted by a *nationally accredited*
4 *institution, as defined in Section 94735.7, or a non-WASC*
5 *regionally accredited institution, as defined in Section 94740.5,*
6 *shall include a copy of the certificate of accreditation issued by the*
7 *a recognized national institutional accrediting body, as defined in*
8 *Section 94740.1, or a non-WASC regional accrediting agency, as*
9 *defined in Section 94740.3, as appropriate.*

10 (9) (A) *In lieu of filing an application, a nationally accredited*
11 *institution or a non-WASC regionally accredited institution*
12 *previously approved by the bureau to operate in this state shall be*
13 *required to notify the bureau of the addition of a branch or satellite*
14 *that is not included in the institution's initial or renewal*
15 *application within 90 days of adding the branch or satellite,*
16 *provided that the institution complies with paragraphs (1) to (4),*
17 *inclusive, of subdivision (b) of Section 94905.*

18 (B) *If a non-WASC regional accrediting agency, as defined in*
19 *Section 94740.3, or a recognized national institutional accrediting*
20 *body, as defined in Section 94740.1, requires approval of the*
21 *additional branch or satellite, a copy of the certificate of*
22 *accreditation or approval shall be included with the notice to the*
23 *bureau, and no additional review or investigation of the branch or*
24 *satellite shall be required by the bureau. If the non-WASC regional*
25 *accrediting agency or the recognized national institutional*
26 *accrediting body does not require approval of the additional*
27 *branch or satellite, the institution shall include its most recent*
28 *certificate of accreditation with the notice to the bureau, and no*
29 *additional review or investigation of the branch, satellite, or*
30 *institution shall be required by the bureau.*

31 (C) *Nothing in this paragraph shall be construed to limit the*
32 *authority of the bureau to investigate student complaints.*

33 (b) Each application shall be signed and certified under oath by
34 the owners of the school or, if the school is incorporated, by the
35 principal owners of the school (those who own at least 10 percent
36 of the stock), or by the corporate officers or their designee.

37 (c) Following review of the application and any other further
38 information submitted by the applicant, or required in conformity
39 with Article 8 (commencing with Section 94900) and Article 9
40 (commencing with Section 94915), and any investigation of the

1 applicant as the bureau deems necessary or appropriate, the bureau
2 either shall grant or deny approval to operate to the applicant.

3 *SEC. 4.* Section 94905 of the Education Code is amended to
4 read:

5 94905. (a) (1) Any non-WASC regionally accredited
6 institution, as defined in Section 94740.5, *and any nationally*
7 *accredited institution, as defined in Section 94735.7*, that is
8 incorporated in another state and maintains its accredited status
9 throughout the period of a student's course of study, and that is
10 approved by the bureau to operate, may issue degrees, diplomas,
11 or certificates. Except for continuing education programs and
12 programs that are exclusively avocational or recreational in
13 nature, accredited public or private postsecondary educational
14 institutions incorporated in another state shall not offer degrees,
15 diplomas, or certificates in California unless they comply with this
16 section.

17 (2) A non-WASC regionally accredited institution *or a*
18 *nationally accredited institution* approved to operate pursuant to
19 this section, and any and all of its program offerings, are subject
20 to the requirements of Article 13 (commencing with Section
21 94950).

22 (b) The bureau shall approve a nationally accredited institution
23 or a non-WASC regionally accredited institution to issue degrees,
24 diplomas, or certificates pursuant to this section if the bureau
25 determines that the institution complies with all of the following
26 requirements:

27 (1) The institution meets the financial responsibility
28 requirements set forth in paragraphs (1) and (3) of subdivision (a)
29 of, and in subdivision (b) of, Section 94804.

30 (2) The institution has not been subjected to any of the actions
31 set forth in subdivision (c) of Section 94774.5 for violations of this
32 chapter or the regulations of the bureau, as determined by the
33 bureau after an investigation.

34 (3) The institution submits to the bureau copies of its most
35 recent Integrated Postsecondary Education Data System Report of
36 the United States Department of Education and its most recent
37 annual report to its recognized institutional accrediting body.

38 (4) The institution pays its fees in accordance with Section
39 94932.

1 (5) The institution has received approval to operate through
2 submission of an application to operate for itself or a branch or
3 satellite campus pursuant to Section 94802 or an application for
4 renewal pursuant to Section 94840.

5 (c) A non-WASC regionally accredited institution *and a*
6 *nationally accredited institution* shall be required to notify the
7 bureau of the addition of a degree, diploma, or certificate program
8 that is not included in the institution's initial or renewal application
9 within 90 days of adding the program. If a non-WASC regional
10 accrediting agency, as defined in Section 94740.3, *or a recognized*
11 *national institutional accrediting body, as defined in Section*
12 *94740.1*, requires approval of the additional degree, diploma, or
13 certificate program, a copy of the certificate of accreditation or
14 approval shall be included with the notice to the bureau, and no
15 additional review or investigation of the program shall be required
16 by the bureau. If the regional accrediting agency *or the recognized*
17 *national institutional accrediting body* does not require approval
18 of the additional degree, diploma, or certificate program, the
19 institution shall include its most recent certificate of accreditation
20 with the notice to the bureau, and no additional review or
21 investigation of the program or institution shall be required by the
22 bureau. Nothing in this subdivision shall be construed to limit the
23 authority of the bureau to investigate student complaints.

24 (d) A non-WASC regionally accredited institution *or a*
25 *nationally accredited institution* approved to operate pursuant to
26 this section shall be subject to disciplinary action by the bureau if
27 the institution loses its accreditation or federal financial aid
28 eligibility due to an action taken by a non-WASC regional
29 accrediting agency, *recognized national institutional accrediting*
30 *body*, or federal authority.

31 (e) A non-WASC regionally accredited institution *or a*
32 *nationally accredited institution* approved to operate pursuant to
33 this section is exempt from the requirements of Sections 94900 and
34 94901, Article 9 (commencing with Section 94915), and Article
35 9.5 (commencing with Section 94931), except for the applicable
36 financial responsibility requirements referenced by ~~paragraph (2)~~
37 ~~of subdivision (a) paragraphs (1) and (3) of subdivision (a) and~~
38 *subdivision (b) of Section 94804*. Any non-WASC regionally
39 accredited institution *or any nationally accredited institution* that

1 is not approved to operate pursuant to this section may apply for
2 approval to operate pursuant to Sections 94900 and 94901.
3 (f) The bureau shall annually include, in the report it prepares
4 pursuant to Section 94995, its findings and recommendations
5 relative to institutions that have secured institutional or
6 programmatic approval pursuant to this section.

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